



Office of Inspector General
U.S. Department of State
U.S. Information Agency, including
Broadcasting Board of Governors

MONTHLY REPORT OF ACTIVITIES

audits, inspections, testimony, and special activities

June 1999

This report describes testimony provided by the Inspector General or other OIG officials and lists OIG reports issued during the period indicated. This report includes unclassified summaries of classified reports; all text in this report is unclassified. Classified reports are not distributed publicly. On occasion, OIG distributes an unclassified version of a classified report; in such a case, this listing also indicates the issued date of the original report. In addition, all major reports, together with OIG investigative activities are summarized in the Inspector General's semiannual reports to the Congress, which are publicly available every June and December.

Congressional and Outreach Activities

June 1999

Reports Issued by the Office of Audits

Review of Policies and Procedures for Ensuring that Radio Marti Broadcasts Adhere to Applicable Requirements (99-IB-010)

The purpose of this review was to examine internal editorial practices and external oversight procedures to ensure that Radio Marti (RM) adheres to the Voice of America (VOA) Charter, the U.S. International Broadcasting Act of 1994, and journalistic standards. As part of this review, the Broadcasting Board of Governors (BBG), in consultation with the Office of Inspector General (OIG), contracted for a panel of independent journalists to evaluate a sample of 20 hours of 1998 Radio Marti broadcasts, to assess whether they adhered to VOA broadcast standards.

OIG found basic deficiencies in both Radio Marti's internal editorial control procedures and external oversight by BBG and the International Broadcasting Bureau (IBB). RM management either weakened various internal procedures such as daily editorial conferences, program review meetings, supervisory review of programs, and focus groups, or did not use them effectively. In addition, the panel of independent journalists noted numerous program deficiencies in the samples it evaluated. They indicated that such problems on RM programs affected both credibility and professionalism.

External oversight by the U.S. Information Agency, BBG, and IBB has been lax. Most past attempts at oversight have concentrated on critiques of program content rather than internal controls to assure adherence to VOA standards. In the past, RM often has not responded to suggestions resulting from various oversight efforts. Also, the absence of an efficient program logging system has been a major obstacle to effective oversight. Both IBB and BBG have recently taken aggressive steps to improve external oversight as well as RM operating procedures.

Report findings provided the basis for six recommendations designed to correct internal deficiencies, facilitate future evaluations, and improve external oversight. In particular, one of the recommendations called on BBG to establish policies and procedures so that future evaluation panels can determine whether broadcasts are meeting the foreign policy requirements of the VOA Charter and the International Broadcasting Act of 1994.

Review of Export Licensing (99-CI-018)

In August 1998, Senator Fred Thompson, Chairman, United States Senate Committee on Governmental Affairs, requested that the Inspectors General of the Departments of Commerce, Defense, Energy, State, Treasury and the Central Intelligence Agency, review the export licensing process for dual-use and munitions commodities. The request asked the Inspectors General to answer 14 specific questions related to the export licensing process. The 14 questions centered on 4 specific areas of export licensing at the Department. These included: 1) reviewing the legislative authorities to determine if any inconsistencies or ambiguities existed, 2) reviewing the licensing process to determine whether it was consistent with national security and foreign policy objectives, 3) evaluating the adequacy of the databases and audit trails in the export licensing process, and 4) assessing the effectiveness of end-use monitoring.

Overall, the OIG found the export licensing process is working as intended and that the Department consistently executed its export licensing responsibilities in accordance with established policies and procedures. There were no significant inconsistencies in the legislative authorities that guide the export licensing process. In addition, from a sample of 125 munitions license applications and 60 dual-use license applications, no cases were found where the Department did not appropriately consider foreign policy or national security concerns. While minor improvements could be made to the munitions database, the audit trails for both the munitions and dual-use licensing process were adequate. However, the munitions licensing process would benefit from: 1) enhancing the end use monitoring process (Blue Lantern program), 2) conducting random periodic supervisory reviews of routine licenses, and 3) providing additional training opportunities to licensing officers.

The OIG recommended that the Office of Defense Trade Controls more closely monitor its blue lantern checks to ensure they are completed in a timely manner, put greater emphasis on the selection criteria used to initiate blue lantern checks, and provide posts with the necessary expertise for conducting on-site inspections of a technical nature. OIG also recommended the Office of Defense Trade Controls develop a comprehensive in-house training program for new licensing officers and conduct periodic spot checks of munitions license applications that are not subject to the more formal supervisory review process. Finally, the OIG recommended that the bureau of Financial Management and Policy comply with the language in the conference report accompanying the Department's Fiscal Year 1999 Appropriations bill and provide the Office of Defense Trade Controls \$2 million over 1998 funding levels.

Reports Issued by the Office of Inspections

Inspection of Embassy Jakarta, Indonesia (ISP/I-99-15)

Significant U.S. interests are at stake in Indonesia, including possible effects from events there on regional stability in South East Asia. At the time of the inspection early in 1999, Indonesia's economy was in a shambles, its political system in kaleidoscopic change, and its civil society on the edge of breakdown. In that challenging environment, embassy policy and program leadership was superb, with an activist Ambassador leading the mission. Interagency coordination and integration was excellent. As U.S. interests and programs continue to increase, the coordinating role of the deputy chief of mission (DCM) should be strengthened. Political and economic reporting each has its own style but both are remarkable for quality, policy orientation, sourcing, and focus on U.S. interests.

While many mission officials travel regularly, important developments in Indonesia's outer islands such as Sumatra, Irian Jaya, and East Timor raise the issue of the need for greater U.S. presence in those areas. The closure of the post in Medan on Sumatra several years ago, strictly for budgetary reasons, ended the only U.S. diplomatic residential presence off the central island of Java. That closure was a mistake. While there has been agreement in principle to re-open the post, a definitive action decision still had not been made, largely because of continuing disagreements over resource questions. The level of resources required is not significant and should not be a reason to delay further the opening of a one-person American presence post in Medan.

The Mission's security program is well managed, and has the full support of the Ambassador and DCM. Security is a dominant theme at post, and has become an integral part of life in Jakarta for all mission employees. Driven by recent events, including increasing crime and unrest, the post has implemented new security measures, and appropriately will be getting additional personnel resources.

Both State Department and the U.S. Information Agency (USIA) funds were not well managed between FY 1993 and FY 1997. Overobligations were common, and required obligation reviews were not performed appropriately. As a result, the post did not use more than a total of \$1.8 million allocated to it in FY 1996 and FY 1997. The mission in Jakarta is acutely aware of the importance of year 2000 (Y2K) readiness, but planning for internal readiness,

however, has not been adequate. Changes will have to be made if Embassy Jakarta is to be Y2K ready.

Embassy Jakarta should have a policy level mechanism to address concerns dealing with heightened U.S. Government interest in providing more law enforcement training and liaison activities in Indonesia. Public diplomacy is expertly conducted and is considered as an important tool by the mission in the articulation of U.S. foreign policy. USIA-State Department consolidation offers opportunities to enhance this capability in the execution of U.S. foreign policy in Indonesia.

Foreign Service Institute (ISP/I-99-16)

State Department leadership professes to believe in training for its officers and staff, but continues to ignore it. Therefore, the Foreign Service Institute (FSI) remains a valuable but unappreciated and in some ways under-utilized resource. The system appears to shrug off training as largely irrelevant to the conduct of foreign policy. It is not part of the State Department culture. Tying training firmly to promotion, tenure or assignment would change the situation in an instant. Unless training is made mandatory for each member of each level of the work force, the exigencies of the day will overwhelm the Department's willingness to improve its skills to meet the revolutionary changes taking place in and around it. The decision to make training mandatory must be made at the level of the Secretary of State.

Despite the Department's lack of serious and sustained commitment to training and career development, FSI is doing an impressive job of meeting the training and development needs of the foreign service community. The development of a Leadership and Management Continuum is an encouraging step in the recognition of the need for leadership and management training across a whole career. A system of requirements and rewards is necessary, however, to give the continuum real meaning. Institutional linkages to other agencies in the foreign affairs community should be tightened and regularized. FSI should also restore energy to its relations with its non-government academic and policy partners.

FSI's response to U.S. Information Agency (USIA) consolidation is commendable. Public Diplomacy modules are being incorporated in many of the current FSI courses, and FSI management meets periodically with USIA training staff to smooth the transition.

Advances in technology call for the creation by FSI of an office of information resource management responsible for strategic planning, operations and the implementation of new distance-learning methodologies to expand training opportunities. Training for information

management staff currently conducted at Warrenton, Virginia, could be moved to FSI's National Training Center (NFATC) campus.

The School of Language Studies (SLS) needs to update its course materials, provide better teacher training and conduct more regularized formal evaluations from students. SLS should also address the persistent perceptions that language testing is not objective. With the recent addition of crisis management teams and public diplomacy training, the School of Professional and Area Studies is becoming over-diversified and the increased span of control for its Dean is probably too broad; partly as a result, area studies are neglected and need active managerial attention. Creation of a second Associate Dean position will alleviate this problem.

Supplemental funding for FSI now exceeds \$9 million a year, which makes FSI planning for the out-years more difficult and more uncertain.

FSI has not performed periodic market surveys to determine the cost effectiveness of outsourcing training. While much of the training that takes place at FSI is context sensitive and cannot be easily outsourced, some courses may lend themselves to outsourcing. All or much of the Career Transition Center's programs lend themselves to outsourcing.

Reports Issued by the Office of Security and Intelligence Oversight

During this reporting period, the following were completed: an OIG security oversight inspection of Zagreb, Croatia, and the Audit of Protective Services.